

KUWS RADIO SUPERIOR

Obey: Turn-around at least two years away

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People hoping for a quick fix for the world's economy are in for a disappointment. Mike Simonson reports from Superior.

Wisconsin's senior member of Congress says quick action by the Bush Administration and Congress averted an economic "death spiral" but it could take years to climb out of the morass.

Congressman Dave Obey has been through a few recessions since taking office in 1969.

"I never thought I would see the threats to this economy as large as they are today. We barely averted having a gigantic financial catastrophe in September when almost overnight the entire financial system could have collapsed worldwide."

The Democrat from northern Wisconsin believes the economy has stabilized but not without huge upheavals. He expects the jobless rate to rise beyond 7% in the next 18 months...and counting the underemployed, could be as high as 15%.

"The economists who I respect tell me this is going to last a long time. They tell me we certainly will not be out of the woods two years from now. If things get out of hand it could last a whole lot longer."

Obey says President Bush acted quickly to help banking and Wall Street, but has been immobilized when it comes to helping the middle class. But he says the solution has to be bi-partisan cooperation.

"This is serious stuff. You can't be making decisions about what we do on the basis of what our political ideology is, or on the basis of which groups in society we like and which groups we don't. This is a very dicey situation."

Obey says the situation isn't as bad as the Great Depression, because of the safety nets of Social Security, unemployment compensation and Medicare. But he says this is the worst situation since Hoover was President.

Members of Congress are working to get an economic package together in time for President-elect Obama's signature. But while the criteria and goals are clear, the details are not.

The price tag could exceed the 700-billion dollar Wall Street bail-out cost, and it could be just the first of several stimulus packages to get people back to work. House Appropriations Committee Chairman Obey says they're asking states and local governments to put together a list of projects that are "shovel ready" so people can be put to work and money gets back into circulation. But Obey says these projects will not be earmarks.

"This is not a time for everybody to sidle up to the bar with their favorite projects. This is a time where we have to look at the national interest. We have to see what will have the biggest impact nationwide in the economy."

Obey says it they're looking at things like airport, sewer, transit and highway projects. Even so, he says there will be some lag between the time the stimulus bill is passed and projects begin.

"And so we can expect to see some very grim months. The question is how effectively and skillfully we can pull together in order to make that timetable as short as possible."

The stimulus package will include aid to states, more than 40 have large deficits. It will also include money for energy and technology projects, extending jobless benefits and getting healthcare to the uninsured.